

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF OHIO
EASTERN DIVISION**

BANK POLICY INSTITUTE, OHIO CHAM-
BER OF COMMERCE, OHIO BANKERS
LEAGUE, AMERICAN BANKERS ASSOCI-
ATION and CHAMBER OF COMMERCE
OF THE UNITED STATES OF AMERICA,

Plaintiffs,

v.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,

Defendant.

Case No. 2:24-cv-04300
District Judge Algenon L. Marbley
Magistrate Judge Chelsey M. Vascura

Joint Motion To Stay Proceedings

All parties hereby jointly request that the Court stay proceedings in this matter until August 1, 2025, and for such further period as the parties jointly request by motion prior to that date and that the Court agrees is reasonable and appropriate. If the parties, after meeting and conferring, do not jointly request an extension of the stay beyond August 1, 2025, the parties agree that Plaintiffs will file their second and final summary judgment brief on August 1, 2025, and the Board will file its second and final summary judgment brief approximately four weeks after that date on August 28, 2025.

In support of their motion, the parties state the following:

1. This is a lawsuit under the Administrative Procedure Act in which Plaintiffs, a coalition of trade associations, challenge the current stress-testing process used by the Board of Governors of the Federal Reserve System (the “Board”) in establishing certain bank capital requirements.

2. As the parties reported to the Court in their February Joint Motion to Set Case and Briefing Schedule, ECF No. 34, the Board is currently “undertaking a process to revise its stress-testing framework” and, “[s]hould the Board’s process to revise its stress-testing framework reach a point at which the parties believe a stay of further proceedings may facilitate resolution of the matter, the parties may request such a stay from the Court.”

3. The Board issued its first Notice of Proposed Rulemaking (NPRM) to revise the stress-testing framework on April 17, 2025.¹ The Board expects to issue another NPRM or NPRMs for publication in the Federal Register that will propose substantial further revisions by September 30 of this year. Among other things, by September 30, 2025, the Board expects to fully disclose the stress-test models and issue an NPRM (or NPRMs) that (1) seek comment on the stress-test models and scenarios proposed to be used in the 2026 stress tests; (2) propose that going forward the Board would seek comment on the annual scenarios as part of each year’s stress-test cycle, and that the Board would seek comment on any material proposed changes to the stress-test models prior to their use in any annual stress-test cycle; and (3) seek comment on a revised scenario design framework that would include objective standards for the development of the annual stress test scenarios, including the global market shock and largest counterparty default components. Given these developments, the parties believe that a stay of proceedings would be appropriate at this time.

4. Both Plaintiffs and the Board have filed their initial summary judgment briefs and, under the current schedule, would each file a second and final brief on May 27 and June 17, respectively. *See* ECF No. 36 (February 13, 2025 Order) at 1.

¹ *See* <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20250417a.htm>; 90 Fed. Reg. 16,843 (April 22, 2025).

5. Given the progress that has been made to date and that the Board intends to continue to make in its forthcoming rulemaking proceedings, the parties believe that their respective resources would be better spent on those proceedings than further litigation at this time. A stay of proceedings would also conserve judicial resources in the event that Plaintiffs' claims are resolved through the notice-and-comment process, and the Court's discretionary power to stay proceedings is clear. *See, e.g., Clark v. Pizza Baker, Inc.*, No. 2:18-CV-157, 2018 WL 2119309, at *2 (S.D. Ohio May 8, 2018) (Marbley, J.) (citing *Clinton v. Jones*, 520 U.S. 681, 706 (1997) ("The District Court has broad discretion to stay proceedings as an incident to its power to control its own docket.")).

6. This case was filed in December 2024, progress has already been made in moving the litigation towards a timely resolution, and the Board intends to move expeditiously to initiate and complete the rulemaking proceedings described in paragraph 3 above. Accordingly, no prejudice will result from a stay.

* * *

For these reasons, the parties jointly and respectfully request that the Court enter an order staying proceedings in this matter until August 1, 2025, and for such further period as the parties jointly request by motion prior to that date and that the Court agrees is reasonable and appropriate. The Court should further order that absent an extension of the stay, Plaintiffs' second and final summary judgment brief shall be due on August 1, 2025, and the Board's second and final summary judgment brief shall be due on August 28, 2025. A proposed order is attached.

Dated: May 23, 2025

Respectfully submitted,

/s/ James A. King

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